

**CONTRACT #9**  
**RFS # 331.04-004-04**

**Department of Education**  
**Assessment Division**

**VENDOR:**  
**Public Consulting Group**



STATE OF TENNESSEE  
**DEPARTMENT OF EDUCATION**  
6<sup>th</sup> FLOOR, ANDREW JOHNSON TOWER  
710 JAMES ROBERTSON PARKWAY  
NASHVILLE, TN 37243-0375

**PHIL BREDESEN**  
GOVERNOR

**LANA C. SEIVERS, Ed.D.**  
COMMISSIONER

**RECEIVED**

MAR 26 2007

TO: Leni Chick, Fiscal Review Committee

FROM: Lana C. Seivers, Commissioner

DATE: March 26, 2007

RE: Request to appear before Fiscal Review Committee regarding Non-Competitive Amendment to contract FA-04-15804-00

**FISCAL REVIEW**

Please consider the enclosed information regarding a request for Non-Competitive Amendment to contract FA-04-15804-00 with Public Consulting Group.

The proposed amendment will allow the following:

- The addition of a payment point to the Payment Methodology section E.3 to allow for the vendor to be paid for end-user support provided to the Local Education Agencies (LEA) currently participating in the Statewide Student Management System (SSMS)
- The increase in the maximum liability of the contract to allow Memphis City Schools and Knox County School districts to participate in the Easy IEP portion of the SSMS.

Thank you for your consideration.

CC: Dr. Timothy K. Webb,  
Assistant Commissioner

# REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

Commissioner of Finance & Administration  
Date:

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

1) RFS #	331.04-004-04		
2) State Agency Name :	Department of Education		
<b>EXISTING CONTRACT INFORMATON</b>			
3) Service Caption :	Statewide Student Management System		
4) Contractor :	Public Consulting Group		
5) Contract #	FA-04-15804-00		
6) Contract Start Date :			01/01/2004
7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :			06/30/2008
8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :			\$16,365,220.00
<b>PROPOSED AMENDMENT INFORMATON</b>			
9) <u>Proposed</u> Amendment #			03
10) <u>Proposed</u> Amendment Effective Date : (attached explanation required if date is < 60 days after F&A receipt)			07/01/05
11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :			06/30/2008
12) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :			\$18,365,220.00
13) Approval Criteria : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state		
	<input type="checkbox"/> only one uniquely qualified service provider able to provide the service		
14) Description of the Proposed Amendment Effects & Any Additional Service :			

The proposed amendment will include the addition of a payment point in section E.3. of the contract that will allow the Department to compensate the vendor for the end user support that they have been providing since Phase II of implementation of the Statewide Student Management System. The different levels of user support were defined through Amendment 2 to this contract; however, at the time the definitions were added, the payment methodology and rate were inadvertently left off the Amendment.

Memphis City and the Knox County school systems have joined onto the Easy IEP only portion of this system within the past six months. The addition of these two large districts has made it necessary to increase the maximum liability of the contract by approximately \$1,000,000.00 to cover the expense of the additional support and ADM implementation costs. The remaining \$1,000,000.00 increase will be used to pay the cost for the end-user support that the vendor has been providing to the remaining LEAs across the state.

The total maximum liability of this contract after this amendment will be \$18,365,220.00.

**15) Explanation of Need for the Proposed Amendment :**

The original contract was written to include the vendor's provision of a very high level, technical support and training support to the end user community. The original intent was that the State would hire personnel that could provide the end- user support to the districts. To date, the Department has been unable to hire and train employees who can provide the level of support that is required to the end users. It has become apparent to the Department, at this stage of implementation of the data system, that it is necessary to continue to provide end-user support on both Star Student and Easy IEP through the end of the current implementation phase. The contractor has consistently provided the end-user support as needed up to this point and the Department wishes to compensate the vendor for this service.

In addition to the provision of this level support, we have recently added on the Special Education populations of both Memphis City Schools and Knox County schools. The addition of these two districts has accounted for an increase in the ADM for the Easy IEP only districts by approximately 170,000 students for a total Phase III cost increase of \$880,000.00 that was not calculated into the original ADM projections in the contract.

**16) Name & Address of Contractor's Current Principal Owner(s) :**  
(not required if proposed contractor is a state education institution)

Public Consulting Group  
148 State Street  
Tenth Floor  
Boston MA 02109

**17) Documentation of Office for Information Resources Endorsement :**  
(required only if the subject service involves information technology)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

**18) Documentation of Department of Personnel Endorsement :**  
(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

**19) Documentation of State Architect Endorsement :**  
(required only if the subject service involves construction or real property related services)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

**20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :**

The Department attempted, unsuccessfully, to hire personnel to fill the void in providing support to the end users. The Department has not sought other means to procure this service from an outside vendor.

The increase in ADM is an increase in the quantity of services already provided in this contract and can not be competed.

**21) Justification for the Proposed Non-Competitive Amendment :**


In the original RFP and ensuing contract, the Department was to hire and train personnel who would be responsible for providing support to the end users across the state. An end user for Star Student is defined as personnel within the central office of a school or the central office of an LEA that is responsible for the entering and maintaining of individual student records (including but not limited to attendance, schedule, grades/GPA, suspensions, expulsions). An end user for EasyIEP is defined as personnel at the school and LEA level who are responsible for the entering, updating, and maintenance of individual student's special education records (including but not limited to evaluation data, Individualized Education Plans).

During the pilot phase of the implementation of the Statewide Student Management System (SSMS) the Department had not yet filled personnel vacancies that would allow for the detailed training and core knowledge required to provide significant end-user support to the LEA's personnel. The vendor had been providing the end user support for the pilot systems at no cost to the state. During year two of implementation it was determined that the level of complexity of the application was such that the Department would not be able to staff and train adequate support personnel in a timely manner to not disrupt service to the individual LEAs.

Memphis City and Knox County Schools were never included in the participation estimates on the original contract. Their addition to the EasyIEP only portion of this contract constitutes a 10% increase in the total ADM count and therefore an increase in the maximum liability of this contract to cover the expense of bringing those two districts on to the system.

**REQUESTING AGENCY HEAD SIGNATURE & DATE :**

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR—signature by an authorized signatory will be accepted only in documented exigent circumstances)

  
Agency Head Signature

3/26/07  
Date

# C O N T R A C T   S U M M A R Y   S H E E T

8-8-05

<b>RFS #</b>	<b>Contract #</b>
<b>331.11-004-04</b>	<b>FA-04-15804-03</b>
<b>State Agency</b>	<b>State Agency Division</b>
Department of Education	Assessment
<b>Contractor Name</b>	<b>Contractor ID # (FEIN or SSN)</b>
PUBLIC CONSULTING GROUP INC	<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V-    V042942913-00

<b>Service Description</b>			
SSMS			
<b>Contract Begin Date</b>	<b>Contract End Date</b>	<b>SUBRECIPIENT or VENDOR?</b>	<b>CFDA #</b>
January 01, 2004	June 30, 2008	Vendor	See Supplement Form

<b>Mark, if Statement is TRUE</b>					
<input checked="" type="checkbox"/> Contractor is on STARS as required			<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts as required		
<b>Allotment Code</b>	<b>Cost Center</b>	<b>Object Code</b>	<b>Fund</b>	<b>Funding Grant Code</b>	<b>Funding Subgrant Code</b>
331.11	VAR	083	25	VAR	VAR
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>	<b>Other</b>	<b>TOTAL Contract Amount</b>
2004	\$1,184,710.00	\$0.00	\$1,427,500.00	\$0.00	\$2,612,210.00
2005	\$2,936,190.00	\$0.00	\$1,510,360.00	\$0.00	\$4,446,550.00
2006	\$1,891,130.00	\$433,000.00	\$1,000,000.00	\$0.00	\$3,324,130.00
2007	\$5,616,330.00	\$283,000.00	\$1,000,000.00	\$0.00	\$6,899,330.00
2008	\$0.00	\$283,000.00	\$800,000.00	\$0.00	\$1,083,000.00
<b>TOTAL:</b>	\$11,628,360.00	\$999,000.00	\$5,737,860.00	\$0.00	<b>\$18,365,220.00</b>

<b>— COMPLETE FOR AMENDMENTS ONLY —</b>			<b>State Agency Fiscal Contact &amp; Telephone #</b>
<b>FY</b>	<b>Base Contract &amp; Prior Amendments</b>	<b>THIS Amendment ONLY</b>	Melissa Hinton - 615-741-6214
2004	\$2,612,210.00	\$0.00	<b>State Agency Budget Officer Approval</b>
2005	\$4,446,550.00	\$0.00	
2006	\$3,324,130.00	\$0.00	
2007	\$4,183,930.00	\$2,715,400.00	
2008	\$1,798,400.00	(\$715,400.00)	<b>Funding Certification</b> (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)
<b>TOTAL:</b>	<b>\$16,365,220.00</b>	<b>\$2,000,000.00</b>	
<b>End Date:</b>	<b>6/30/2008</b>	<b>6/30/2008</b>	

<b>Contractor Ownership</b>				
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business	<input checked="" type="checkbox"/> NOT minority/disadvantaged
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged—	
<b>Contractor Selection Method</b>				
<input checked="" type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation		<input type="checkbox"/> Alternative Competitive Method	
<input type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Government		<input type="checkbox"/> Other	

<b>Procurement Process Summary</b>

## C O N T R A C T   S U M M A R Y   S H E E T

### S U P P L E M E N T A L   S C H E D U L E

<b>Contract Number</b>		FA-04-15804-00					
<b>Fiscal Year</b>		2004					
<b>Allotment Code</b>	<b>Cost Center</b>	<b>Object Code</b>	<b>Fund</b>	<b>Grant Code</b>	<b>Subgrant Code</b>	<b>CFDA #</b>	<b>Amount</b>
331.11	730	083	25	TK4	AAX	N/A	\$2,612,210.00
Fiscal Year	2005						
331.11	730	083	25	TK5	AAX	N/A	\$4,446,550.00
Fiscal Year	2006						
331.11	810	083	25	TK6	AAX	N/A	\$2,891,130.00
331.36	440	083	25	LL5	ACX	84.027A	\$433,000.00
Fiscal Year	2007						
331.11	810	083	25	TK7	AAX	N/A	\$5,616,330.00
331.36	440	083	25	LL6	ACX	84.027A	\$283,000.00
Fiscal Year	2008						
331.11	810	083	25	TK8	AAX	N/A	\$800,000.00
331.36	444	083	25	LL7	ACX	84.027A	\$283,000.00
<b>TOTAL</b>							\$17,365,220.00

**AMENDMENT # 03  
TO CONTRACT FA-04-15804-00**

This Contract, by and between the State of Tennessee, DEPARTMENT OF EDUCATION, hereinafter referred to as the State, and PUBLIC CONSULTING GROUP INC, hereinafter referred to as the Contractor, is hereby amended as follows:

1. Delete Section E.1. in its entirety and replace with the following:

E.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Eighteen Million Three Hundred Sixty Five Thousand Two Hundred Twenty Dollars and No Cents (\$18,365,220.00). The Service Rates in Section E.3. shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor. The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section E.3. The State is under no obligation to request work from the contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

2. Add the following to Section E.3. Payment Methodology

Year Three Cost Schedule from July 1, 2005 through June 30, 2006

Cost per ADM for end-user support for Star Student and Easy IEP	\$2.25
Cost per ADM for end-user support for EasyIEP only	\$1.13

Year Four Cost Schedule from July 1, 2006 through June 30, 2007

Cost per ADM for end-user support for Star Student and Easy IEP	\$2.25
Cost per ADM for end-user support for EasyIEP only	\$1.13

Year Five Cost Schedule from July 1, 2007 through June 30, 2008

Cost per ADM for end-user support for Star Student and Easy IEP	\$2.25
Cost per ADM for end-user support for EasyIEP only	\$1.13

The other terms and conditions of this CONTRACT not amended hereby shall remain in full force and effect.

**IN WITNESS WHEREOF:**

**PUBLIC CONSULTING GROUP INC:**

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**Stephen P. Skinner, Partner**

**Date**

**DEPARTMENT OF EDUCATION:**

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**Lana C. Seivers, Commissioner**

**Date**

**APPROVED:**

**DEPARTMENT OF FINANCE AND ADMINISTRATION:**

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**M. D. Goetz, Jr., Commissioner**

**Date**

**COMPTROLLER OF THE TREASURY:**

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**John G. Morgan, Comptroller of the Treasury**

**Date**



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE  
FISCAL REVIEW COMMITTEE**

320 Sixth Avenue, North – 8<sup>th</sup> Floor  
NASHVILLE, TENNESSEE 37243-0057  
615-741-2564

**Rep. Charles Curtiss, Chairman**

Representatives

Harry Brooks	Mary Pruitt
Curt Cobb	Donna Rowland
Dennis Ferguson	David Shepard
Frank Niceley	Curry Todd
Craig Fitzhugh, <i>ex officio</i>	
Speaker Jimmy Naifeh, <i>ex officio</i>	

**Sen. Don McLeary, Vice-Chairman**

Senators

Mae Beavers	David Fowler
Jim Bryson	Steve Southerland
Steve Cohen	
Douglas Henry, <i>ex officio</i>	
Lt. Governor John S. Wilder, <i>ex officio</i>	

**M E M O R A N D U M**

**TO:** The Honorable Dave Goetz, Commissioner  
Department of Finance and Administration

**FROM:** Charles Curtiss, Chairman *CC*  
Don McLeary, Vice-Chairman *DM*

**DATE:** September 14, 2006

**SUBJECT:** **Contract Comments**  
(Contract Services Subcommittee Meeting 9/12/06)

**RFS# 331.11-004**

**Department: Education**

**Contractor: Public Consulting Group, Inc.**

**Summary:** The vendor is currently responsible for providing the Statewide Student Management Software (SSMS) that is used by the Department and the local school districts of Tennessee. This amendment increases expenditures to cover the cost the vendor has incurred for hosting the EasyIEP program and data on their servers since May 1, 2005, and decreases the maximum liability of the contract by \$543,090 due to fewer students than originally projected. The term of the contract remains the same, effective through June 30, 2008.

**Maximum liability: \$16,908,310**

**Maximum liability with amendment: \$16,365,220**

After review, the Fiscal Review Committee voted to recommend approval of the contract amendment.

**cc:** The Honorable Lana C. Seivers, Commissioner  
Mr. Robert Barlow, Director, Office of Contracts Review